UNIVERSITY OF
ILLINOIS LIBRARY
AT URBANA-CHAMPAIGN
BOOKSTACKS

Digitized by the Internet Archive
in 2011 with funding from
University of Illinois Urbana-Champaign

http://www.archive.org/details/managementthough789usel

B385
no. 789
cop. 2

BEBR

FACULTY WORKING
PAPER NO. 739

Management Thought and Education in America: A Centenary Appraisal

Paul Uselding

LIBRARY U. OF I. URBANA-CHAMPAIGN

College of Commerce and Business Administration
Bureau of Economic and Business Research
University of Illinois, Urbana-Champaign

630.7
Us2m
Cop. 2

BEBR

FACULTY WORKING PAPER NO. 789

College of Commerce and Business Administration

University of Illinois at Urbana-Champaign

June 1981

Management Thought and Education in America: A Centenary Appraisal

Paul Uselding, Professor
Department of Economics

DRAFT: Not for Quotation or Reproduction in any form

Presented at the Joint Plenary Session of the A.A.C.S.B. and B.H.C. at the Wharton School of the University of Pennsylvania, May 6, 1981.

ABSTRACT

This paper reviews the principal developments in management education durint the past 100 years. Key developments in management thought, theory, and practice are also analyzed; and the significance of these factors for management education is analyzed. The study is divided into three periods: pre World War I, the interwar period, and post World War II. In each epoch the interplay of the supply of faculty and demand for management training is analyzed.

The American business school from its inception until the present day has been profoundly influenced by three factors. First, as Professor Alfred Chandler has documented in his prodigious, The Visible Hand, the late 19th and early 20th centuries witnessed a unprecedented period of industrial growth in both a quantitative and qualitative sense. From the conclusion of the Civil War until the early 1890's an explosion of business activity converted the United States from an agricultural to an industrial nation. The application of mass production technologies and distribution to a mass national market in the 1870's and 1880's lowered production costs for large scale producers, encouraged expansion of capacity, and brought about intensified competition in transportation, trade, and industry. The lassiz faire environment during this period created such intense competitive pressures that businesses of all types organized pools, trusts and combinations to create sufficient market power to survive. As Chandler has termed it, this was a period of horizontal combination. It was the first attempt to rationalize and coordinate the industrial resources that had been so rapidly accumulated in the decades following the Civil War. By the late 1890's increasing competitive pressure and legal reform ushered in an era of vertical combination through merger and acquisition which qualitatively changed the nature of business organization, and assured a strong and increasing demand for professional managers.

The second factor influencing business education in America was the social and political response to rapid industrial development. Labor organization, outbreaks of labor violence in the 1880's and 1890's, and the continuing confrontations between employer and employee in the 20th century focused management attention, and subsequently oriented business education on "the labor problem." Public reaction to the perceived power and practices of business expressed

itself in the political arena through the Populist and Progressive Movements. From the Transcendentalists of the early 19th century to the present, one of the paradoxes of American life has been the extent and prevalence of anti-business sentiment in a presumably business dominated society. From the 1880's on such sentiment was increasingly given significant political form and focus. As a consequence business leaders, as well as educators, acquired certain defensive attitudes and mind sets, a bunker-mentality if you will, that transmitted itself to the nascent business schools. Joseph Wharton hoped that the School of Finance and Economy he founded would teach "the nature and prevention of strikes" as well as "the necessity for modern industry of organizing under single leaders or employers great amounts of capital and great numbers of laborers, and of maintaining discipline among the latter."

The third and final background factor is the extensive support provided to American colleges and universities by business leaders of means and their corporations. Prior to the founding of the Wharton School, Moses Brown, Johns Hopkins, Ezra Cornell, and Cornelius Vanderbilt had provided the funds to establish the great American universities that bear their name. Joseph Wharton in 1881 and Amos Tuck in 1899 endowed well known business schools. James Duke (Duke University), Leland Stanford (Stanford University), and John Rockefeller (University of Chicago) also provided the founding endowments for major undertaking in higher education. Andrew Carnegie alone provided $350 million to various enterprises that were educational in nature. The list could be multiplied but the point is already clear, major segments of American higher education were the product of support from men who represented a business point of view. Whatever the public and political sentiment might be, business schools would be established in existing university structures that were receptive to initiatives and support from the business community. This was an enabling condition, present

at the creation, that permitted business education to move forward, addressing itself to business problems and needs, with a minimum of interference from socially concerned or reform minded academicians and educational administrators.

The three broad background factors just discussed insured a strong and steady demand for university trained managers, provided a problem-oriented, functional thrust to the curricula of the early business schools, imparted an intellectually defensive aura to the American business school, and assured its survival and growth through the creation of a tolerant and enabling official environment in American universities.

Early Thought and Education

The period from the founding of the Wharton School of Finance and Economy to WWI forms a natural period for our review. Prior to 1881, experiments aimed at establishing schools of business or commerce were unsuccessful: these included the University of Louisiana (1851), the University of Wisconsin (1866), and Washington and Lee University (1869). The experience at Wharton was far from smooth since the location of the School of Finance and Economy in the liberal arts college brought it a faculty that was not familiar with the subjects they were expected to teach and whose classical training made them averse to a college education that was intended to be practical. In 1883, Edmund James was brought to Wharton and until his departure in 1896 was the recognized leader of the Wharton faculty. His training in economics, finance, and administration enabled him to select a faculty that could provide proper instruction in such subjects as: industrial history, government, economics, accounting, business law and organization. The Wharton curriculum reflected in good part the derivative nature of business school courses from the field of economics and the academic leadership provided by members of economics departments in the period before WWI. In the two decades following the establishment of the Wharton

School courses such as transportation, marketing, insurance, corporation finance, money and banking, investments, etc. were built around the body of information that comprised the interests of specialized economists. Some notion of the problems James, along with other leaders in business education, faced may be gained in his statement of 1913:

> There were no models which we could follow. There was no experience from which we could profit. The funds themselves were inadequate for the purpose in hand. The other departments in the University and most of the other members of the faculty were bitterly opposed to the whole project. And even if they did not actually interfere to prevent the progress of the work, they stood with watchful, jealous eyes to see that no concession of any sort would be made to these new subjects which, in their opinion, might in any way lower the level of scholarship as the ideal had been accepted by the upholders of the traditional courses. (1)
>
> (1) Edmund James, "Origin and Progress of Business Education in the United States," address at a University of Illinois Conference, 1913.

After leaving Wharton, James became the president of the University of Illinois in 1904, recruited the notable economist, David Kinley, and helped him found the College of Commerce and Business Administration at that institution.

Wharton's pioneering entry into American business education was unchallenged for 17 years until California and Chicago established business schools in 1898. In 1900, Wisconsin, Vermont, Dartmouth (Amos Tuck), and New York University were added to the ranks. By the close of the first decade of the 20th century there were a dozen more schools offering degree programs in business. Just after the start of WWI an additional twenty were brought into being, by which point numerous limited programs offering business training had been introduced at American universities.

In the first three or four decades following the opening of the Wharton School, management thought was heavily influenced by the scientific management concepts of Frederick Taylor, From a modern perspective, Taylorism was a blend

of labor relations and industrial engineering. Taylor's first published work appearing in the A.S.M.E. Transactions in 1895 was, in part, a rebuttal to the incentive schemes of Henry Towne and Frederick Halsey. As developed by Taylor and his disciplines, scientific management addressed the problems of organizing, motivating and utilizing unskilled and semi-skilled labor in the production systems extant in American factories. When viewed in this way, Taylorism and its influence on management education was an outgrowth of the flood tide of European immigration in the decades before WWI. This later or "new" immigration to America urbanized and proletarianized the industrial workforce. This phenomenon coupled with the scale of the emerging industrial enterprise brought the question of labor utilization and management to the fore. As we shall see later on "labor questions" in one form or another have remained at the heart of management thought and education throughout this century.

Joseph Wharton, who owned a quarter interest in the Bethlehem Steel Company, was instrumental in bringing Frederick Taylor there to revamp management practices between 1893 and 1901. It is one of those curiosities of history that Wharton (to my knowledge) did not prevail upon Taylor to lecture at the business school in Philadelphia. Of course Taylor himself probably resisted such entreaties, if indeed Wharton made them, since he did not believe that scientific management could be taught in the classroom.

It is impossible to give a precise estimate of the influence of Taylor's system on early management education, but we do know that, at the urging of Professor Edwin Gay. he lectured each year at the Harvard Graduate School of Business Administration between 1909 and 1914. After his election to the presidency of the A.S.M.E. in 1906, Taylor traveled and lectured throughout the United States and his itinerary included colleges and universities.

Carl Barth, referred to as "Taylor's most orthodox disciple" lectured at Harvard between 1911 and 1922. Harlow Person introduced the teaching of

scientific management at the Amos Tuck School, and as Dean, hosted the first scientific management conference in the United States at Hanover in 1911. Harlow Person was also among the first academic leaders in American business education to recognize the relationship between the study of management and concepts in the emerging social sciences. Others such as Dexter Kimball at Cornell helped to spread scientific management in the classroom. Kimball, a professor of machine design, began his course on "Works Administration" at Sibley College in 1904.

By the eve of WWI management thought and education was as much the province of engineering schools as it was that of the newly created schools and colleges of business. Taylorism and scientific management focused on problems of factory production which comprised the natural focus of curricula in mechanical and industrial engineering. Very likely the first course in shop management or works administration introduced in America was at the University of Kansas by Hugo Diemer in 1900. Beyond Kimball's course at Cornell in 1904, four more colleges adopted courses of this type by 1914. By 1930 there were 35 departments of industrial engineering offering shop management or works administration courses, and graduating something in the range of 600 students per year. The relative quantitative importance of business and engineering colleges in providing young managers may be seen from the growth of all business school graduates from around 1700 in 1919 to just under 7000 by 1930.

This early period saw groundwork being laid for subsequent additions to business school curricula. Russell Robb gave lectures at the Harvard Business School on organization in 1909, stressing the priority of military hierarchies as models for adaptation to conditions found in the marketplace. At DuPont Power Company, Pierre and Coleman DuPont introduced return on investment criteria as measures of organizational performance by 1903. DuPont's general manager, Hamilton Barksdale, was using psychological tests for personnel selection by 1910.

Specific techniques such as these along with the evolution of the multidivisional structure were to be DuPont's legacy to management practice and training.

As early as 1903 an engineer, Henry Hess, developed a "cross-over chart" which showed the relationships among cost, production volume, sales and profit. In 1922, Walter Rautenstrauch at Columbia coined the term "break-even point" which described the phenomena Hess had first charted. Much earlier in 1892, Hugo Munsterberg, the father of industrial psychology, established his laboratory at Harvard. Harrington Emerson was a pioneer in the introduction of punch card tabulating machines in accounting record keeping, as well as other facets of cost accounting. His significant published work appeared in engineering journals during the first decade of this century.

The significant intellectual and substantive contributions to the body of knowledge taught in business curricula in this early period came from a variety of disciplines such as engineering, economics, psychology, as well as the hard won experience of practicing managers who possessed the intellect to generalize and disseminate their experiences. Management thought had not emerged to the point where it expressed itself in a distinctive periodical or monographic literature apart from that of the root disciplines upon which it drew. Quite naturally this condition led to fragmentation of curricula which emphasized technique and the imparting of specific skills. This condition rendered the young business schools vulnerable to charges of vocationalism and heightened tensions between business faculty and their counterparts in more traditional disciplines. Mounting criticism within academe drove most business schools into developing close ties with business constituencies, a defensive posture within and partial withdrawal from the culture of the academic community, and increasing specialization and vocationalism. The widespread employment of businessmen, especially accountants, as part-time faculty only accentuated these developments. Though this was the general conditions during the early period, institutions such

as Chicago, Berkeley, Harvard, Pennsylvania, and Dartmouth introduced a number of courses in economics and finance with a broader more general orientation. Berkeley and Illinois to their everlasting credit required courses in economic and business history from the outset and Harvard began its tradition of leadership by requiring its students to take a course in business policy well before 1914.

The Interwar Years

As is evident from the foregoing, the academic reputation of the early business schools was in fragile estate, but too much generalization here would be misleading. The early business schools had two rather distinct patrilineal antecedents. Broadly speaking, one group of these early schools emerged directly from previously established departments of economics. Their courses were similar to those offered in other economics departments in liberal arts colleges. Early on such schools began emphasizing broader more general education for managers. The other group of business schools derived from programs oriented toward more specific occupational training, most notably accounting and office or secretarial skills. Schools such as these developed specialized courses in technical fields of business, and were in a very real sense, advanced trade schools. Irrespective of origins, however, both types of schools prospered in the decade of the 1920's as business growth demanded more formally trained managers and all business schools combined contributed to a 350% expansion in baccalaureate and master's degrees awarded in this decade.

The interwar years in American business education witnessed many significant changes in the way management training was perceived, but most importantly social scientists of world renown produced scholarly works that not only contributed to the evolving literature of management theory, but continued the momentum of broadening and generalizing management training. Pioneer management theorists

such as Fayol, Weber, Mayo, and Barnard created magnificent and vital conceptions of the structure and process of management; and broadened the focus from the day-to-day routine of administration to generic intellectual concerns about the impact on human behavior and social welfare of managerial activity. Whereas large scale immigration, urbanization, and proletarianization had led Frederick Taylor and other progenitors to concentrate on "the labor problem" primarily as a question of managing and motivating workers. The next generation of management thinkers and innovators infused management thought with the vitality, elegance, and breadth of the young social sciences. In this they paved the way for the integration of management courses into the warp and woof of academic life, in a word, made them respectable subjects worthy of academic inquiry.

Henri Fayol, the French geologist and metallurgist, wrote his celebrated Industrial and General Administration in 1916, emphasizing the universality of management and outlining the famous six elements found in all managerial activities. Fayol's work was not translated into English until 1930 and therefore must have had a limited impact on the American scene. Although Fayol's work was overshadowed in America by that of Taylor, he laid a solid foundation for inquiries that would be pursued and carried forward by others.

Max Weber contributed his well known work on bureaucracy during this period. Although this part of Weber's work was not translated into English until 1947, it had its impact on management scholars well before that date. Weber's signal contribution to management theory was his emphasis on formal structural arrangements for organizing and implementing goal-directed activities. His influence was great and its power is apparent in the work of contemporary management scholars like Alfred D. Chandler of Harvard whose Strategy and Structure in 1962 was responsible for widespread attention to structural factors in business school curricula. Of course, Chandler, "the Dean of American business historians", had more to offer than this; but his own important work is evidence

of Weber's continuing influence in management thought and education.

Another important contributor to the growing body of management knowledge was Chester Barnard, the New Jersey Bell president turned sociologist. Barnard's best known work was The Functions of the Executive, published in 1938, in which he examined the nature of cooperative systems within organizations. Barnard extended his consideration beyond the purely formal and structural properties of organizations a la Max Weber to theorize on the nature and significance of the informal groupings of workers.

While theorists such as Fayol, Weber, and Barnard were expanding the conceptual framework of management, other social scientists such as Mayo, Moreno, and Lewis were conducting experiments aimed at securing these abstractions for subsequent generations as tested hypotheses.

Elton Mayo, an Australian, was a logician, philosopher, and psychopathologist. He came to America as a member of the Wharton School faculty, moving to Harvard in 1926. Mayo's enduring studies at Western Electric's Hawthorne plant made every student of management keenly aware of the intimate connection between the social context of industrial life and worker performance. Mayo's work was influenced by both Chester Barnard and Emile Durkheim. From Barnard, Mayo placed stress upon the social basis of managerial authority and leadership. These social skills were necessary to overcome anomie, Durkheim's concept, in the industrial milieu. In this way Mayo's work was an integration of social theory and experiment with management research, broadly defined. By demonstrating the social basis of efficiency, as distinct from Frederick Taylor's focus on the technical and economic aspects, Mayo's research insured that sociology and psychology would forever after become integral disciplines in the study of management.

Mayo's work was followed up by Jacob Moreno and Kurt Lewin. Moreno, a quantitative sociologist, introduced sociometry and the sociogram which measured

individuals' preferences for each other; he also developed psychodrama and sociodrama for analyzing interpersonal relations in a group context. Kurt Lewin was the father of group dynamics and founded the Research Center for Group Dynamics at M.I.T. in 1945. One of Lewin's students, Leland Bradford, established the National Training Laboratory at Bethel, Maine in 1947 for experimental work in "sensitivity training."

Lewin and Moreno had taken social theory and method to the point where the objective no longer was merely to understand and react to the worker as social man at a personal or group level. Rather, this new work aimed at understanding how behavioral interactions change over time and ultimately at the question of behavioral modification and social control. With this research the range of management control would be expanded enormously, but bringing in its train disturbing questions of ethics pertaining to the proper limits of managerial activity.

The research of social scientists was translated into the language of management training very shortly after WWII. Charles Walker and Robert Guest opened the area of job enlargement research and training with their Harvard Business Review article of 1952. A scholar-executive, James Worthy of Sears Roebuck, contributed an important article on the relationship between organizational structure and employee morale to the American Sociological Review in 1950. Worthy in keeping with the findings of earlier social theorists and experimentalists argued for flatter more decentralized organization structures which encouraged participative management. In 1949, another executive, William Given, introduced the distinction between "bottom up" and "top down" management.

By the late 1940's, the social research pioneered in the preceding two decades was being adapted to the language and literature of management. Social science was contributing to management education in two ways. First, through the understanding of formal organizational structures and the relationship of

those structures to authority and leadership. Secondly, by investigations of how individuals and groups interacted within those structures with important insights into how behavior could be shaped and directed toward established goals.

Illustrative of the changing, more social, emphasis in management literature was the modification of the classic text Industrial Engineering and Factory Management published in 1928 by Arthur Anderson of the University of Illinois. The 1928 edition was typical of the industrial engineering or works administration/ shop management approach. The 1942 edition of that book was appropriately retitled Industrial Management for it offered a much broader perspective on the functions of management including social responsibilities of managers, employee relations, and other topics reflective of the influence social science research.

The exciting developments taking place in management thought were well in advance of average practice in business education from 1920 through 1945. The addition of a number of new business schools, expansion of existing programs, and rapid enrollment growth during this period took place without a solid, academic basis for management education. Courses were opened without regard to adequate text materials and faculty were permitted to develop their teaching interests along increasingly specialized and functional lines. Established functional subjects like accounting and marketing underwent further fractionation and subdivision while business school curricula experienced proliferation of new and unrelated subjects such as real estate, public utility operations, brokerage, retailing, advertising, credit and the like. Business courses did not grow out of a coherent body of knowledge, rather their growth was derivative and reflective of counterpart functions and activities in the real world of business operations. The relationship of most business subjects to other academic disciplines was in fact becoming more remote, even though management thought itself had taken a decidedly social scientific turn.

Several attempts to reverse this trend were undertaken. In 1916, Dean Marshall at

Chicago repositioned the business curriculum to encompass a broad array of business-related courses from other academic disciplines. But after Marshall's resignation in 1923, the Chicago curriculum became more conventional. Dean Donham at Harvard placed the entire program on a case basis in an attempt, that endures to this day, to integrate specialized, functional subject matter in the business curriculum. In 1916, the American Association of Collegiate Schools of Business was organized. The Association was important in providing a forum for ideas but failed to provide general leadership. By 1940, only 53 schools belonged to the Association. In the late 1930's, several bibliographies and syntheses of the burgeoning management literature were published in recognition of the need to integrate the field of management studies, but their impact was slight in view of the scope and scale of the problem. In 1941, the Academy of Management was founded and one of its principal objectives was to unify the diverse ideas in the search for a theory of management. Its other important objective was to promote the teaching of management theory whose evolution has been previously discussed.

The general condition of business education was commented on by two contemporaries: In 1928, Marshall of Chicago wrote: "Within the field of technical business education there has often been such proliferation of 'courses' that it is scarcely humanly possible that the content can be of university or professional school grade." In 1931, James Bossard and J. Frederic Dewhurst of the Wharton School remarked, "Specialization in the business curricula runs riot--at least so far as differentiated curricula and faculty preferences are concerned."

Yet certain positive achievements were wrought in this period. Closer relationships with non-business subjects could be noted at leading schools. A central core of functional business subjects such as accounting, finance, economics, business law, statistics, and marketing was beginning to emerge at most schools, and an increasing emphasis on company-wide perspectives, as distinct

from works administration, was also apparent by 1940.

The expansion of business enterprises until 1930 had placed extreme demands upon newly created business curricula to respond to the immediate needs for trained managers. All earned degrees in business had increased from around 1700 in 1920 to almost 7000 in 1930, a 350% growth. In the 1930's, the slow down in economic activity also slowed the output of business students to a decadal increase of 180%, still healthy but not as feverish as the expansion of the 1920's. While the decade of the 1930's was a disaster for American business, it did provide breathing space and needed time to business schools to consolidate and reorganize their curricula toward a central core of functional subjects.

1945 to the Present

Carnegie Mellon's nobel laureate, Herbert Simon, ushered in the modern era in management education with his classic work, Administrative Behavior, published in 1945. Simon's contribution laid the foundation for modern scholarship in the area of organizational theory and behavior. As importantly, Simon's emphasis on decision making processes within the organization paved the way for the integration of operations research, management science, game theory, and other branches of applied mathematics into the research, and ultimately teaching, regimes in the field of management.

Further refinements in the conception of the role of the managers came from Peter Drucker, who in 1954 introduced the notion that "a manager's job should be based on a task to be performed in order to attain the company's objectives..." Management by objectives offered an alternative to the motivation-response-reward basis of managerial control typical of the 1930's and 1940's management literature. Although Drucker himself attributes the term, management by objectives, to Alfred P. Sloan, Jr. of General Motors, Drucker's writing did much to advance this philosophy or style or management. Drucker's copious writings in the field of management were to have a major impact on the teaching and practice of

management in the decades after WWII.

Cyril O'Donnell and Harold Koontz contributed to the further refinement of the conception of management with their 1955 contribution of the idea that management was "the function of getting things done through others." By the late 1950's, the process of management was widely regarded as consisting of planning, organizing, monitoring, and controlling. By this time Dalton McFarland introduced strategic factors into the consideration of managerial decision making, an idea that would be picked-up and amplified by the metamorphosis of the field of business policy into strategic management in the mid-1970's.

These developments led Harold Koontz to coin the phrase "Management Theory Jungle" in 1961 which arose, in Koontz' view, from the widespread confusion arising from the differences in findings and opinions of academic experts. Koontz found six different points of view on the nature and knowledge of managing in 1961: 1) the management process school, 2) the empirical or "case" approach, 3) the human behavior school, 4) the social system school, 5) the decision theory school, and 6) the mathematics school. Just last year Koontz reported foliation in his "Management Theory Jungle" with the addition of five new approaches in the two decades after 1960. These new approaches are: 1) the contingency or situational school, 2) the managerial roles approach, 3) the operational theory approach, 4) the sociotechnical systems approach, and 5) interpersonal behavior approach.

What has caused such growth and proliferation in management theory? Basically, the lack of coherence in management theory stems from three things. First, as we have noted, earlier theorists tended to be practitioners. Perceptive as they were, individually and collectively they failed to develop a systematic philosophy, much less, body of management theory to be subsequently refined and elaborated. Second, the Gordon and Howell (Ford Foundation) and Pierson (Carnegie Foundation) reports in 1959 on the state of business school programs were researched by scholars

not trained in management. These reports proved to be a watershed in business education calling for new shape and content in business curricula through increased emphasis on a broader more social scientific approach. Spurring Deans to action, along lines recommended by both reports, was the indictment of the quality of business education. As a result, the early 1960's witnessed the recruitment of specialists in such fields as economics, mathematics, psychology, sociology, social psychology, engineering, and anthropology to business school faculties. Finally, the rapid expansion of business schools in the 1960's forced the recruitment of many faculty members trained in other disciplines just to fill the acute shortage of teachers. On a proportionate basis, the number of business school faculty trained in management, or having first hand management experience, must have declined rather precepitously. As we move closer to the present, we see a continuation of this phenomenon of faculty recruitment from disciplines outside of traditional business fields. The surging demand for business education in the 1960's and 1970's has very likely led to the domination of business faculty by social scientists, mathematicians, and others not first and foremost of a management orientation.

This migration of non-business trained faculty to business schools has undoubtedly served to upgrade the academic quality of business programs and give a heightened respectability to business education within the larger academic community. It has also served to move business education away from the close ties it enjoyed in the pre-WWII period with the business community.

(REFER TO FIGURES 1 AND 2 HERE)

Epilog

In reviewing the last century of management thought and education we have seen how evolutionary forces and factors have modified the nature of both over time. At the outset business education was struggling to deploy academic resources to meet the pressing demand of business enterprise for trained managers.

It would appear that business schools responded by producing men of specific abilities rather than managers of broad capability. Curricula exhibited a high degree of vocationalism and enjoyed a lower degree of academic repute.

In the 1920's and 1930's, business curricula began to cohere around a core of functional subjects and erudite practitioners such as Fayol, Barnard, and several others evolved a distinctive though disjoint literature of management. The post WWII period witnessed the influx of social scientists to business school faculties and the infusion of large doses of social science thought and applied mathematics into business curricula partly as a response to criticism within the academic estate and partly as a response to surging enrollment demand.

The effects of this latter development are twofold. First, business faculties do not approach "the management problem" from a unified and coherent body of thought or common methodology so that the literature of management represents the sociology of management, the psychology of management, the decision theoretic aspects of management and the like. Besides augering the further growth of "the Management Theory Jungle," the internal competition for academic status and reward leads business faculty to prize research and publication directed to specific disciplinary journals in the social sciences or mathematics. Faculty development in recent decades has thus made much of their research of less interest to management practitioners and has oriented the development of faculty attitudes and values to esteem disciplinary accomplishment above managerial impact and relevance.

The second effect of the social scientific composition of business school faculty is curricular specialization much along the lines that engineering schools have always followed. Market demand for specific skills in computer science, auditing, market research, banking, insurance, real estate, and the like have shaped program development away from the general and toward the particular.

We cannot conclude that the history of business education in America shows

an ever upward traverse of prosperity and improvement. Our historical excursion has shown that business schools have mainly responded to demand or supply side market pressures in reasonable, if predictable ways, given the wisdom of hindsight. The practice of history does not confer a license to conjecture on the course of future developments. But it seems reasonably clear that American business education will be called upon to respond to fundamental challenges on many fronts in the coming decades. If that future is like the past we have reviewed, then it may be faced with reasonable confidence.

* I would like to acknowledge support from the Bureau of Economic and Business Research at the University of Illinois and the capable research assistance of Joan Junkus, Nancy Dutt, and Mary Pat Schmidt. Richard Barsness, Albro Martin, and Vernon Zimmerman provided encouragement for this undertaking.

Bibliographic Acknowledgment

In preparing this speech I have drawn upon the excellent work of Daniel Wren, The Evolution of Management Thought, John Wiley & Sons, 2nd edition, New York, 1979. The Education of American Businessmen by Frank Pierson, et al., New York: McGraw Hill, 1959 contains an excellent chapter on the history of business schools. Robert A. Gordon and James E. Howell, Higher Education for Business, New York: Columbia University Press, 1959; and James E. Bossard and J. Frederic Dewhurst, University Education for Business, Philadelphia: University of Pennsylvania Press, 1931 both contain much useful information incorporated in this paper. Numerous university catalogs, speeches and pamphlets have also been consulted.

HECKMAN
BINDERY INC.
JUN 95
Bound-To-Please® N. MANCHESTER, INDIANA 46962

3 0112 060296206